

FISCAL NOTE

SB 3257 - HB 3295

March 2, 2006

SUMMARY OF BILL: Defines milk and reduced fat milk and makes it an unfair or deceptive act or practice under the *Tennessee Consumer Protection Act of 1977* to advertise, offer to sell or sell a product as milk or reduced fat milk which does not meet such definition. A violation is punishable as a Class B misdemeanor, through the levying of civil penalties and through private rights of action.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Not Significant

Increase State Expenditures – \$70,000 One-Time – FY 06-07

\$7,000 Recurring – FY 07-08 and thereafter

Increase Local Govt. Revenues – Not Significant

Increase Local Govt. Expenditures – Not Significant

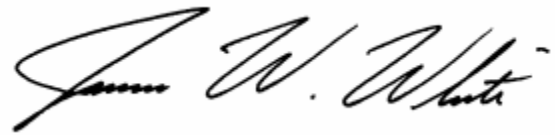
Assumptions:

- A not significant increase in state revenues from the collection of civil penalties.
- This bill will require the Department of Agriculture to conduct tests on milk that they are not currently conducting. The Department will need scientific testing equipment they do not currently possess.
- A one-time increase in state expenditures to the Department of Agriculture to purchase scientific testing equipment that will be needed to test milk samples for compliance with the law.
- A recurring increase in state expenditures to the Department of Agriculture to maintain the scientific testing equipment.
- A not significant increase in state expenditures to the Department of Commerce and Insurance, Division of Consumer Affairs to handle complaints generated under the provisions of this bill.
- There will not be a sufficient number of prosecutions for local governments to experience any significant increase in revenues or expenditures.

- Some increase in cases in the court system, through private rights of action, which will result in additional state and local government expenditures for processing cases and additional state and local government revenues from fees, taxes and costs collected. However, such increases will not be significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director